

CLASSIFICATION

25X1A2g

CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

~~INFORMATION REPORT~~

CD NO.

COUNTRY Austria

~~CONFIDENTIAL~~

25X1A2g

DATE DISTR. 29 March 1949

SUBJECT Agreement on Scrap Iron between
USIA and Austrian Government

NO. OF PAGES 1

PLACE [REDACTED]

ACQUIRED [REDACTED]

25X1A6a

NO. OF ENCLS.
(LISTED BELOW)

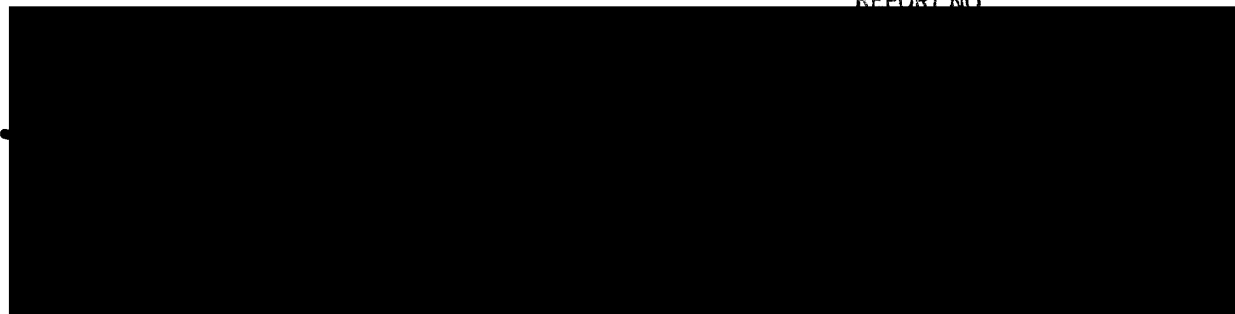
DATE OF INFO. [REDACTED]

25X1A6a

RETURN TO CIA LIBRARY

SUPPLEMENT TO
REPORT NO.

25X1X6



1.

1. USIA* has concluded an official agreement with the Austrian Government that, as of 30 December 1948, no scrap iron was to be claimed by the Soviets as war booty.
2. The Soviets are known to control the disposition of 4,000 to 5,000 tons of scrap iron per month. This scrap has accrued as follows: 1,000 tons from USIA firms; 1,000 tons from Soviet-controlled dismantling operations; 2,000 - 3,000 tons purchased illegally from Austrian scrap dealers. This scrap is either being sold to the Austrian Government or calculated at a rate of \$28.50 per ton and used in lieu of hard currency in arranging import-export deals through the Austrian Government. This amounts to a purchasing power of \$140,000 per month for USIA. One example was a recent transaction, where- by the Austrian Government was to deliver an unspecified quantity of raw iron to Italy in return for seamless pipe for USIA (or SW**). The compensation payment by USIA to the Austrian Government for its part in the transaction was to be in scrap iron at the above rate.

25X1A6a

[REDACTED] Soviet willingness to give up the right to claim scrap as war booty may possibly be a concession to the Austrian Government in return for granting USIA import-export permits with the right to draw on National Bank hard currency deposits and for acting as middleman in other transactions, such as the shipping of seamless pipe from Italy. If carried out, the agreement would infer payment to the Austrian Government of 20% of foreign currency from scrap exports and would give the Government greater control over scrap reserves in the Soviet Zone, which were not claimed as booty prior to 30 December 1948.)

* Administration of Soviet Property in Austria.

** Sowjetische Beschlagnahmeverwaltung.

NO CHANGE in Class. ☐
 DECLASSIFIED ☐
 Class. CHANGED TO: TS S C
 AUTH: IDA MCG 1 Apr 77
 Date: IDA REG 7/7/763
 By: 019

BY CABLE

25X1X6

11 MAY 1978

CONFIDENTIAL in accordance with the
 letter of 16 October 1978 from the
 Director of Central Intelligence to the
 Archivist of the United States

~~CONFIDENTIAL~~

Next Review April 2008